



# Daily Newswatch

## Market Review

The FBM KLCI slipped further to 1,555.5 (-0.4%), as persistent selling by foreign funds and cautious sentiment ahead of the U.S. presidential inauguration weighed on the market. Losses in GAMUDA (-4.3%), TENAGA (-2.8%), and SUNWAY (-2.1%) dragged the index lower, reflecting continued risk aversion, particularly in counters tied to data centre developments amidst U.S. export curbs on AI chips. Sector-wise, Construction (-3.6%) led the declines, followed by Telecommunications & Media (-0.7%) and Utilities (-0.6%). The broader market breadth remained subdued, with 525 decliners outpacing 480 gainers.

## Economics

- Malaysia:** Govt to address R&D, commercialisation and innovation gaps, enhance Malaysia's competitiveness
- UK:** Disappoints with GDP growth of 0.1% in first month after Reeves' budget
- Japan:** Wholesale inflation steady near 4%, BOJ eyes rate hike next week
- Indonesia:** Issues regulation to implement global minimum tax

## Companies

- Hextar Industries:** To open five Luckin Coffee outlets by end of January
- Aeon Credit:** Issues RM150m sukuk wakalah
- Sime Darby Property:** To partner Singapore's YCH Group to develop logistics hubs in SEA
- FSBM:** Signs MOUs with VisionTech, Cydentiq to advance AI, cybersecurity solutions
- Bintai Kinden:** Gets approval for regularisation plan, confident measures will help exit PN17
- Silver Ridge:** Settles dispute with subcontractor over outstanding contract payment
- Jati Tinggi:** Bags RM25.5m job from TNB to lay cables for data centre
- Tanco:** Plans 7-for-5 bonus issue as share price hits 27-year high

Key Indices	Last Close	Daily chg %	YTD chg %
FBM KLCI	1,555.5	(0.4)	(5.3)
Dow Jones	43,153.1	(0.2)	1.4
Nasdaq CI	19,338.3	(0.9)	0.1
S&P 500	5,937.3	(0.2)	0.9
FTSE 100	8,391.9	1.1	2.7
Nikkei 225	38,572.6	0.3	(3.3)
Shanghai CI	3,236.0	0.3	(3.5)
HSI	19,522.9	1.2	(2.7)
STI	3,801.1	0.8	0.4

Market Activities	Last Close	% Chg
Vol traded (m shares)	3,611.0	6.0
Value traded (RM m)	3,163.6	2.6
Gainers	480	
Losers	525	
Unchanged	500	

Top 5 Volume	Last Close	Daily chg %	Vol (m)
CBHB	0.335	19.6	393.1
TWL	0.025	0.0	120.8
GAMUDA	4.260	(4.3)	80.3
MNHLDG	0.990	(4.8)	48.1
VELOCITY	0.080	0.0	48.0

Top 5 Turnover	Last Close	Daily chg %	Val (RM m)
GAMUDA	4.260	(4.3)	345.1
TENAGA	13.120	(2.8)	220.5
CBHB	0.335	19.6	130.2
SUNCON	3.580	(8.2)	126.1
CIMB	7.990	1.8	109.7

Currencies	Last Close	% Chg
USD/MYR	4.5028	(0.1)
USD/JPY	155.29	(0.1)
EUR/USD	1.0301	0.0
USD/CNY	7.3316	0.0
US Dollar Index	108.96	(0.1)

Commodities	Last Close	% Chg
Brent (USD/barrel)	81.3	(0.9)
Gold (USD/troy oz)	2,715	0.0
CPO (MYR/metric t)	4,408	(1.4)
Bitcoin (USD/BTC)	100,010	(0.1)

### Upcoming key economic data releases

### Date

Malaysia – GDP Growth Rate	Jan 20
Malaysia – Dec 2024 Inflation Rate	Jan 22
Malaysia – Interest Rate Decision	Jan 22
Malaysia – Dec 2024 PPI	Jan 28
US – Jan 2025 FOMC	Jan 30
US – Jan 2025 PCE	Jan 31

## Economics

### **Malaysia: Govt to address R&D, commercialisation and innovation gaps, enhance Malaysia's competitiveness**

The Ministry of Economy, in collaboration with the Ministry of Science, Technology, and Innovation (Mosti), is working to improve the research, development, commercialisation, and innovation (RDCI) ecosystem in the country, addressing existing gaps. Economy Minister Datuk Seri Mohd Rafizi Ramli acknowledged that while the government had spent over RM1bn to fund RDCI programmes in both the private and public sectors, improvement is needed in several areas to boost Malaysia's global competitiveness. "This effort is being undertaken jointly by the Ministry of Economy and Mosti. It has been discussed at the National Economic Action Council. God willing, within two to three months, after being tabled in the Cabinet and finalised, it will be launched in the first half of 2025," he said. (*The Edge*)

### **UK: Disappoints with GDP growth of 0.1% in first month after Reeves' budget**

Britain's economy narrowly returned to growth in November but fell short of expectations as the UK struggles to shake off concerns that the country is in the grip of stagflation. Gross domestic product increased 0.1% following a 0.1% contraction in both September and October, the Office for National Statistics (ONS) said. That was below forecasts for 0.2% growth. It means the economy is still smaller than it was in June, the month before Labour came to power. The figures will reinforce fears that the UK is stuck in a stagflationary trap of rising prices and flat-lining growth, despite a welcome slowdown in inflation in December. The economy has now grown just twice in the five months since Labour took office. The pound fell following the data and was trading at US\$1.2214, down 0.2% on the day. (*Reuters*)

### **Japan: Wholesale inflation steady near 4%, BOJ eyes rate hike next week**

Japan's annual wholesale inflation held steady at 3.8% in December on stubbornly high food costs, data showed on Thursday, highlighting persistent price pressures that may prod the central bank to raise interest rates next week. The data comes in the wake of Bank of Japan governor Kazuo Ueda's remarks on Wednesday that the bank will debate whether to raise rates at the Jan 23-24 meeting, signalling it will take borrowing costs higher barring any market shocks after US President-elect Donald Trump takes office on Monday. "At next week's meeting, the board will debate whether to raise interest rates based on our new quarterly outlook report," Ueda said in a meeting with regional bank executives on Thursday, echoing comments made the previous day. The year-on-year rise in the corporate goods price index (CGPI), which measures the price companies charge each other for their goods and services, matched a median market forecast and followed a 3.8% annual increase in November. (*Bloomberg*)

### **Indonesia: Issues regulation to implement global minimum tax**

Indonesia's finance ministry said on Thursday it had issued a regulation to implement the global minimum corporate tax at 15% effective from Jan 1, as part of an international push to limit tax competition between countries. The largest economy in Southeast Asia is among 140 countries which agreed on a landmark 2021 deal that allows governments to apply a top-up tax to the 15% level on any corporate profits booked in a country with a lower rate. The tax, which is being shepherded by the Organisation for Economic Cooperation and Development (OECD), applies to multinational companies with an annual global turnover of more than €750m (US\$770m or RM3.4bn). (*Bloomberg*)

## Companies

### **Hextar Industries: To open five Luckin Coffee outlets by end of January**

Hextar Industries Bhd announced the soft opening of five Luckin Coffee outlets by the end of January 2025. The first two outlets will open at Sunway Pyramid and Menara EcoWorld on Jan 23, Hextar Industries said in a statement. Additional outlets will follow by the end of January. "This soft opening phase will allow the brand to gather valuable customer feedback and fine-tune its services," the company said. In November 2024, Hextar Industries' subsidiary Global Aroma Sdn Bhd signed an agreement with Luckin Coffee Holding Singapore Pte Ltd to bring the Luckin Coffee brand from China to Malaysia. *(The Edge)*

### **Aeon Credit: Issues RM150m sukuk wakalah**

Consumer financial services provider Aeon Credit Service (M) Bhd issued its eighth sukuk wakalah amounting to RM150m, under its RM1bn Islamic Commercial Papers programme. A portion of the proceeds raised from this sukuk wakalah issuance, which was made on Thursday, will be used to finance customer disbursements in accordance with shariah principles for consumer financing. The remainder of the proceeds will be used to cover expenses associated with the sukuk programme, and to refinance both current and future Islamic financing facilities. The tenure of the sukuk is 179 days starting from Jan 16, 2025. *(The Edge)*

### **Sime Darby Property: To partner Singapore's YCH Group to develop logistics hubs in SEA**

Sime Darby Property Bhd is joining hands with Singapore-based YCH Group, a supply chain solutions outfit, to develop logistics hubs in Malaysia, Vietnam and other Asean markets. The two companies inked a memorandum of understanding (MOU) for the proposed partnership at the sidelines of the 102nd Asean Business Advisory Council (Asean-BAC) Meeting on Thursday. According to Asean-BAC, the first major milestone will be the development of a landmark logistics facility in Sime Darby Property's port-centric township of Bandar Bukit Raja in Klang, Selangor. The facility is expected to cost at least RM300m and will be modelled after YCH's flagship Supply Chain City in Singapore. *(The Edge)*

### **FSBM: Signs MOUs with VisionTech, Cydentiq to advance AI, cybersecurity solutions**

IT services company FSBM Holdings Bhd, through its subsidiary FSBM I-Design Sdn Bhd, has signed two memorandums of understanding (MOUs) with VisionTech Pte Ltd and Cydentiq Sdn Bhd to develop advanced artificial intelligence (AI) and cybersecurity solutions. The collaboration with VisionTech, a Singapore-based generative AI firm, aims to create AI-driven solutions for improving efficiency, addressing workforce challenges, and enhancing decision-making, while the partnership with cybersecurity solutions provider Cydentiq focuses on embedding security measures like identity governance, threat monitoring, and industry compliance. Speaking at the press conference after the MOU signing, FSBM executive director William Ng Kok Kiong said the partnerships are part of the company's strategy to expand its offerings in analytics, business intelligence, and AI of Things (AIoT). *(The Edge)*

### **Bintai Kinden: Gets approval for regularisation plan, confident measures will help exit PN17**

Bintai Kinden Corporation Bhd said it has secured the approval from Bursa Malaysia for a proposed plan to fix its finances and strengthen the engineering services firm. The exchange regulator has also approved the listing of new shares and stock options to employees that allows the company to raise fresh capital, incentive key staff, and meet the listing requirements. If successful, the measures will help the company shake off the PN17 status, Bintai said in a statement. The approval of our proposed regularisation plan is a pivotal moment, as it allows us to move forward with a clear strategy for financial recovery and growth," said Bintai managing director Datuk Tay Chor Han. Bintai fell into the PN17 status after its external auditors flagged the company's ability to stay as a going concern. *(The Edge)*

**Silver Ridge: Settles dispute with subcontractor over outstanding contract payment**

Silver Ridge Holdings Bhd said on Thursday that a legal dispute between the telecommunication system solutions provider and a subcontractor over an outstanding contract payment has been resolved through mediation. The settlement was part of a consent judgment recorded at the High Court on Wednesday, the company said in a bourse filing. The subcontractor, Wilstech Sdn Bhd, had previously claimed that both parties had agreed that the final outstanding sum relating to five contracts for the provision of equipment to install telecommunication facilities stood at RM1.4m (comprising debt of RM1.0m plus interest). The contracts were valued at an aggregate RM16.3m. Silver Ridge had disputed the claim and denied the existence of any agreed settlement. *(The Edge)*

**Jati Tinggi: Bags RM25.5m job from TNB to lay cables for data centre**

Infrastructure and engineering company Jati Tinggi Group Bhd has won the tender for a RM25.5m contract from Tenaga Nasional Bhd (TNB) to lay underground double-circuit cables for a data centre in Selangor. Jati Tinggi secured the project via its wholly owned Jati Tinggi Holding Sdn Bhd. The contract is expected to be completed within 270 days from the commencement date, said Jati Tinggi in a bourse filing on Thursday. *(The Edge)*

**Tanco: Plans 7-for-5 bonus issue as share price hits 27-year high**

Property developer Tanco Holdings Bhd, whose share price surged to a 27-year high of RM2.13 on Thursday, has proposed a bonus issue of up to 3.9bn new shares — on the basis of seven bonus shares for every five Tanco shares held — to reward shareholders. The entitlement date for the bonus issue will be announced later, Tanco said in a filing with Bursa Malaysia on Tuesday. As of Jan 8, the company has an issued share capital of RM243.2m, comprising 2.2bn shares. It also has 552m outstanding warrants expiring on Aug 25 this year that can be converted into ordinary shares at an exercise price of 31 sen each. The proposed bonus issue would raise Tanco's share base to up to 6.6bn shares, assuming the full exercise of its outstanding warrants. Tanco shares would theoretically be adjusted to 51 sen per share after the bonus issuance, according to the company's estimates. *(The Edge)*



## Stock Selection Based on Dividend Yield

	Sector	Price (RM)	Dividend/Share (RM)	Dividend Yield (%)
Bermaz Auto	Consumer	1.33	0.17	12.78
MBM Resources	Consumer	6.04	0.53	8.69
British American Tobacco (M)	Consumer	7.25	0.60	8.22
Amway (M)	Consumer	6.69	0.53	7.88
KIP REIT	REIT	0.87	0.07	7.70
Sentral REIT	REIT	0.80	0.06	7.67
Datasonic Group	Technology	0.39	0.03	7.44
Ta Ann Holdings	Plantation	4.13	0.30	7.29
Paramount Corporation	Property	1.04	0.07	7.21
Genting Malaysia	Consumer	2.19	0.16	7.17
YTL Hospital REIT	REIT	1.17	0.08	7.09
CapitaLand Malaysia Trust	REIT	0.66	0.05	6.82
Sports Toto	Consumer	1.53	0.10	6.54
UOA REITS	REIT	0.94	0.06	6.52
REXIT	Technology	0.79	0.05	6.37

Source: Bloomberg

User guide: Mercury Securities compiles a list of dividend-yielding stocks for conservative long-term passive investors looking for regular income whilst capping downside risk of their investment.

Methodology: The list above includes stocks that have a high dividend yield, estimated to be greater than 4% per annum. These stocks also have a history of paying dividends consistently, having paid dividends for the past 3 years.

## IPO Tracker

Company	Listing Sought	Issue Price (RM/Share)	No. Of Shares (m)		Closing Date	Listing Date
			Public Issue	Offer for Sale		
<a href="#">Oriental Kopi Holdings Bhd</a>	ACE Market	0.44	418.1	-	10 Jan	23 Jan
Northern Solar Holdings Bhd	ACE Market	0.63	67.3	35.6	20 Jan	06 Feb
Colform Group Bhd	ACE Market	0.36	114.4	54.0	23 Jan	10 Feb

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## Published & Printed By:

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